

OIG'S Audit Process



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Auditor

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MISSION STATEMENT OF OIG

- To serve the American Worker and Taxpayer by conducting audits, investigations, and evaluations.
- To improve the effectiveness, efficiency, and economy of departmental programs and operations.
- To provide advice to the Secretary and Congress on how to attain the highest possible program performance.

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VISION STATEMENT OF OIG

- To be widely recognized in the Department and Congress for providing timely, quality and useful information.
- To provide recommendations and technical assistance that improve key programs and operations of the Department of Labor.

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BACKGROUND

- Enacted on October 12, 1978, the Inspector General Act established OIGs in major executive agencies of the Federal Government.
- The IG keeps DOL and the Congress informed about problems, efficiencies and corrective actions.
- The goal of the OIG is to ensure overall integrity as well as economic, efficient, and effective management of DOL programs and operations.

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BACKGROUND

• DOL IG COMPONENTS

- Office of Audit (OA)
- Office of Labor Racketeering and Fraud Investigations (OLRFI)
- Office of Management and Policy (OMP)
- Office of Inspections and Special Investigations (OIS)
- Office of Legal Services (OLS)

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SELECTION OF AUDITS

OA Audit selection process could be based on:

- Statutory and regulatory requirements
- Susceptibility to fraud, waste, and abuse
- Newness or changed conditions
- The dollar magnitude
- Results of prior audits or reviews
- Agency requests
- Congressional requests
- Hotline complaints

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WHAT IS AN AUDIT

A look at the past performance of an entity, program or function to determine whether funds and property were properly administered, and whether the program met its intent and expectations.

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STEPS IN THE AUDIT PROCESS

- Audit Notification
- Entrance Conference
- Performing the Audit
- Keeping Management Informed
- Exit Conference
- Audit Reports
- Audit Resolution

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AUDIT NOTIFICATION

The OIG usually notifies the Auditee, in writing, prior to the scheduled start date of an audit; however, there are circumstances where advance notification will not be provided.

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ENTRANCE CONFERENCE

- Inform management of audit objectives and the scope of the review.
- Introduce the audit team.
- Discuss and address any concerns.

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PERFORMING THE AUDIT

Early in the audit process, the auditors will obtain background information.

They will normally make use of an audit program which is targeted on selected areas of a program, activity or function.

The auditors will interview Auditee staff, review and analyze relevant documents and other information.

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KEEPING MANAGEMENT INFORMED

During the audit, OIG staff will keep management informed of potential findings through discussions and briefings.

This will also afford the Auditee early notice of deficiencies so management can take immediate corrective action, when possible.

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EXIT CONFERENCE

- At end of fieldwork
- Discussion Draft

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EXIT CONFERENCE

Discussion Draft

- Discussed at exit conference for:
 - ✓ Factual Accuracy
 - ✓ Completeness
 - ✓ Balance
 - ✓ Tone
 - ✓ Realistic

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EXIT CONFERENCE

- ✓ Gives management the last opportunity to comment on the audit's findings and ensure the results are fairly presented prior to issuance of the Draft Report.
- ✓ Written responses for the Discussion Draft are normally requested within 2 weeks after the exit conference.

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AUDIT REPORTS

- Draft Report
- Final Report

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AUDIT REPORTS

Draft Audit Report

- ✓ considers/incorporates management's comments
- ✓ requires a written response from management, normally within 30 days from the date of the report

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AUDIT REPORTS

Final Audit Report

Includes:

- ✓ auditee's comments in their entirety
- ✓ auditor's conclusion
- ✓ suggested actions to resolve or close recommendations

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EXAMPLES OF AUDIT FINDINGS

- Internal Control Weaknesses
- Lack of supporting documentation
- Participant Eligibility
 - Ineligible Participants
 - Eligibility of Determination not adequately documented
- Excessive or unreasonable costs for providing program services
- Misreporting of financial and performance data (often at data entry point)
- Non-compliance with grant/contract requirements
- Not meeting grant/contract goals or objectives

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AUDIT RESOLUTION

An audit recommendation is resolved when the DOL funding agency and the OIG agree on the action that will correct the problem and is closed when the agreed-upon corrective action has been completed.

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REPORTING TO CONGRESS

Semiannually, the Inspector General must report on OIG activities of the preceding 6-month period.

This report includes a description of significant problems, abuses and deficiencies relating to the department's programs and operations; including corrective actions recommended from the previous semiannual reports.

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CONCLUSION

The audit process should be viewed as an opportunity for an objective, skilled and impartial review of program operations.

In most instances, implementing audit recommendations can lead to better program operations and resource savings.

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QUESTIONS?

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